



DEPARTMENT OF ENERGY  
Federal Energy Regulatory Commission

[Docket No. IC12-11-000]

Commission Information Collection Activities (FERC-725); Comment Request

**AGENCY:** Federal Energy Regulatory Commission.

**ACTION:** Comment request.

**SUMMARY:** In compliance with the requirements of the Paperwork Reduction Act of 1995, the Federal Energy Regulatory Commission (Commission or FERC) is submitting the information collection FERC-725, Certification of Electric Reliability Organization; Procedures for Electric Reliability Standards, to the Office of Management and Budget (OMB) for review of the information collection requirements. Any interested person may file comments directly with OMB and should address a copy of those comments to the Commission as explained below. The Commission issued a Notice in the Federal Register (77 FR 24189, 04/23/2012) requesting public comments. FERC received no comments on the FERC-725 and is noting this in its submittal to OMB.

**DATES:** Comments on the collection of information are due by [INSERT 30 days after publication of this Notice in the Federal Register].

**ADDRESSES:** Comments filed with OMB, identified by the OMB Control No. 1902-0225, should be sent via email to the Office of Information and Regulatory Affairs: [oir\\_submission@omb.gov](mailto:oir_submission@omb.gov). Attention: Federal Energy Regulatory Commission Desk Officer. The Desk Officer may also be reached via telephone at 202-395-4718.

Public

A copy of the comments should also be sent to the Federal Energy Regulatory Commission, identified by the Docket No. IC12-11-000, by either of the following methods:

- eFiling at Commission's Web Site: <http://www.ferc.gov/docs-filing/efiling.asp>.
- Mail/Hand Delivery/Courier: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

*Instructions:* All submissions must be formatted and filed in accordance with submission guidelines at: <http://www.ferc.gov/help/submission-guide.asp>. For user assistance contact FERC Online Support by e-mail at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or by phone at: (866) 208-3676 (toll-free), or (202) 502-8659 for TTY.

*Docket:* Users interested in receiving automatic notification of activity in this docket or in viewing/downloading comments and issuances in this docket may do so at <http://www.ferc.gov/docs-filing/docs-filing.asp>.

**FOR FURTHER INFORMATION:** Ellen Brown may be reached by e-mail at [DataClearance@FERC.gov](mailto:DataClearance@FERC.gov), by telephone at (202) 502-8663, and by fax at (202) 273-0873.

**SUPPLEMENTARY INFORMATION:**

*Title:* FERC-725, Certification of Electric Reliability Organization; Procedures for Electric Reliability Standards

*OMB Control No.:*1902-0225

*Type of Request:* Three-year extension of the FERC-725 information collection requirements with no changes to the reporting requirements.

*Abstract:* The Commission uses the information collected under the requirements of

FERC-725 to implement the statutory provisions of Section 215 of the Federal Power Act (FPA).<sup>1</sup>

Section 215<sup>1</sup> of the FPA aids the Commission's efforts to strengthen the reliability of the interstate grid through the granting of new authority to provide for a system of mandatory Reliability Standards developed by the Electric Reliability Organization (ERO)<sup>2</sup> and reviewed and approved by FERC.

On February 3, 2006, the Commission issued Order No.672<sup>3</sup> certifying a single ERO [the North American Electric Reliability Corporation (NERC)], to oversee the reliability of the United States' portion of the interconnected North American Bulk-Power System, subject to Commission oversight. The ERO is responsible for developing and enforcing the mandatory Reliability Standards. The Reliability Standards apply to all users, owners and operators of the Bulk-Power System. The Commission has the authority to approve all ERO actions, to order the ERO to carry out its responsibilities under these statutory provisions, and (as appropriate) to enforce Reliability Standards.

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<sup>1</sup> Section 215 was added by the Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005) (codified at 16 USC 824o)

<sup>2</sup> Section 215 defines "Electric Reliability Organization" or "ERO" to mean the organization certified by the Commission ... the purpose of which is to establish and enforce reliability standards for the bulk-power system, subject to Commission review.

<sup>3</sup> Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards ¶ 31,204 71 FR 8662 (2006) Order on rehearing, 71 FR 19,814 (2006), FERC Statutes and Regulations ¶ 31,212 (2006).

The ERO can delegate its enforcement responsibilities to a Regional Entity.

Delegation is effective only after the Commission approves the delegation agreement. A Regional Entity can also propose a Reliability Standard to the ERO for submission to the Commission for approval.

The FERC-725 contains the following information collection elements:

Self Assessment and ERO Application: The Commission requires the ERO to submit to FERC a performance assessment report every five years. Each of regional entity submits a performance assessment report to the ERO. Submitting an application to become an ERO is also part of this collection.<sup>4</sup>

Reliability Assessments: 18 CFR 39.11 requires the ERO to assess the reliability and adequacy of the Bulk-Power System in North America. Subsequently, the ERO must report to the Commission on its findings. Regional entities perform similar assessments within individual regions.

Reliability Compliance: Reliability Standards are mandatory and enforceable. In addition to the specific information collection requirements contained in each standard, there are general compliance, monitoring and enforcement information collection requirements imposed on applicable entities. Audits, spot checks, self-certifications, exception data submittals, violation reporting, and mitigation plan confirmation are included in this area.

Stakeholder Survey: The ERO used a stakeholder survey to solicit feedback from registered entities in preparation for its three year performance assessment. The

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<sup>4</sup> The Commission does not expect any new ERO applications to be submitted in the next three years and is not including any burden for this requirement in the burden estimate.

Commission assumes that the ERO will perform another survey prior to the 2014

performance assessment.

Other Reporting: This category refers to all other reporting requirements imposed on the ERO or regional entities in order to comply with the Commission's regulations.

The Commission implements its responsibilities through the Code of Federal Regulations in 18 CFR Part 39.

*Type of Respondents*: Electric reliability organization, regional entities, and registered entities.

*Estimate of Annual Burden*<sup>5</sup>: The Commission estimates the total public reporting burden for this information collection as:

FERC-725: Certification of the ERO <sup>4</sup> ; Procedures for Electric Reliability Standards						
Type of Respondent	Type of Reporting Requirement <sup>4</sup>	Number of Respondents (A)	Number of Responses Per Respondent (B) <sup>6</sup>	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response (D)	Estimated Total Annual Burden (C)x(D)
Electric Reliability Organization (ERO)	Self-Assessment	1	0.33	0.33	10,400	3,432
	Reliability Assessments		11	11	3,120	34,320
	Reliability Compliance		1	1	76,837	76,837
	Standards Development		1	1	51,834	51,834
	Other		1	1	2,080	2,080

<sup>5</sup> Burden is defined as the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For further explanation of what is included in the information collection burden, reference 5 Code of Federal Regulations 1320.3.

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	Reporting					
Regional Entities	Self-Assessment	8	0.33	2.64	16,640	43,930
	Reliability Assessments		1	8	16,679	133,432
	Reliability Compliance		1	8	46,788	374,304
	Standards Development		1	8	4,142 (rounded)	33,134
	Other Reporting		1	8	1,040	8,320
Registered Entities	Stakeholder Survey	1,627	0.33	537	4	2,148
	Reliability Compliance		1	1,627	483 (rounded)	786,342
Subtotals:						
ERO	N/A <sup>7</sup>					168,503
Regional	N/A <sup>7</sup>					593,120
Registered	N/A <sup>7</sup>					788,490
TOTAL		1,636	N/A <sup>7</sup>	N/A <sup>7</sup>	N/A <sup>7</sup>	1,550,113

The Commission derived the figures above using NERC's Business Plan and Budget Submissions, NERC's Compliance, Enforcement and Monitoring Plans, NERC's Performance Assessments, other information on NERC's website (<http://www.nerc.com/>), and internal FERC staff estimates. See the appendix for more details regarding the burden estimates.<sup>8</sup>

The total estimated annual cost burden to respondents is **\$115,655,020** (\$15,128,199 + \$46,121,011 + \$54,405,810).

ERO Cost: 168,503 hours @ \$89.78/hr = \$15,128,199

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<sup>6</sup> In all instances below where the number of responses per respondent is "1" the Commission acknowledges that actual number of responses varies and cannot be estimated clearly.

<sup>7</sup> N/A = not applicable

<sup>8</sup> The appendix will not be published in the Federal Register. The appendix is available in FERC's eLibrary system under the notice issuance in Docket No. IC12-11-000

Regional Entity Cost: 593,120 hours @ \$77.76/hr = \$46,121,011

Registered Entity Cost: 788,490 hours @ \$69/hr = \$54,405,810

The hourly cost figures are loaded (i.e. includes salary and other personnel costs).

The Commission used NERC's 2012 Business Plan and internal FERC salary estimates for these cost figures.

*Comments:* Comments are invited on: (1) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden and cost of the collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information collection; and (4) ways to minimize the burden of the collection of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Dated: June 27, 2012

Kimberly D. Bose,  
Secretary.

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